

8 OCT 1976

MEMORANDUM FOR: Acting Deputy Director for Administration

FROM : James H. McDonald
Director of Logistics

SUBJECT : Agency Comments on Revisions of Office of
Federal Procurement Policy Regulations
Numbers 1 and 2

REFERENCE : DD/A ltr to Mr. Hugh E. Witt, Administrator
for Federal Procurement Policy, dated
2 Mar 1976, DD/A No. 76/0983

1. By means of the referent memorandum, the Agency concurred, generally, with the original Office of Federal Procurement Policy (OFPP) Regulations Numbers 1 and 2. These regulations now have been somewhat modified and we have been asked for comments on the revised versions.

2. The "sunshine" provisions of both of these regulations have been expanded:

a. Revised Regulation Number 2 now requires up to 60 days advance notice of any public meetings scheduled.

b. Both Regulations 1 and 2 call for advance publication of meetings and proposed changes in not only the Federal Register but in the Commerce Business Daily as well.

3. Two provisions have been added to Regulation Number 1 which more or less compensate for the new clauses mentioned above. One of these, found in paragraph 3, Authority, requires OFPP consultation with executive agencies prior to changes proposed in "policies, regulations, procedures and forms". We see this as a protective clause -- one which insures that the Agency will not be surprised by unanticipated changes in procurement policy. In addition, a new paragraph 7.h., Public Participation, on the face of it, provides us with more flexibility in our

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internal functions. The new paragraph reads as follows:

"7.h. Intra-agency regulations or directives which deal primarily with matters other than procurement, or which are concerned primarily with matters of agency procedure or management, shall be subject to the foregoing procedures only if their procurement aspects are considered by an agency to be of significant public interest; questionable cases should be referred to OFPP."

4. In general, the revised regulations present no obstacle to the concurrence previously given. In fact, we believe that we have gained some advantages not provided in the original regulations. I recommend that you sign the attached letter reconfirming the Agency's general concurrence with OFPP Regulations Numbers 1 and 2.

STATINTL

✓ James H. McDonald

Att

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2 MAR 1976

The Honorable Hugh M. Witt
Administrator for Federal
Procurement Policy
Office of Management and Budget
Washington, D. C. 20503

Dear Sir:

sent to D/Log

Your letter of December 22, 1975, requests the comments of this Agency on the Office of Federal Procurement Policy (OFPP) Regulation Numbers 1 and 2. This letter conveys our thoughts on the two regulations.

The Central Intelligence Agency (CIA) concurs generally with OFPP Regulation Numbers 1 and 2. As discussed during a meeting on 24 February 1976 between representatives of this Agency and yourself, there are special circumstances which have required the incorporation of a degree of flexibility into our internal procurement policies and regulations. Aside from these special circumstances, our principal concerns are that (1) we continue to operate our procurement system generally in accordance with the Armed Services Procurement Regulations (ASPR's) and (2) we not be required to discuss in public forum the sensitive aspects of our procurement system.

While my representatives have discussed with you the fact that CIA procurement policies and regulations deviate in certain areas from the letter of the ASPR's, let me hasten to also state that we are in accord with the spirit of the ASPR's, and that our system does include checks and balances necessary to protect U. S. Government interests.

In closing, may I say that this Agency fully endorses the establishment, as well as the objectives, of your office. I have asked officials within my Office of Logistics to establish and maintain liaison with your office and to

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The Honorable Hugh E. Witt

provide information and assistance necessary to establish and maintain an appropriate working relationship with you. STATINTL [REDACTED] Chief of our Procurement Management Staff, will continue to serve as the official CIA representative for procurement matters.

Sincerely,

/s/ John E. Blake

John E. Blake
Deputy Director
for
Administration

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Originating Office:

/s/ Michael J. Malanick

Michael J. Malanick
Director of Logistics

1 MAR 1976

Date